

**CHANGE MANAGEMENT AT RESOLUTION HEALTH EAST
AFRICA LTD, KENYA**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS OF THE AWARD FOR
THE DEGREE OF MASTER IN BUSINESS ADMINISTRATION,
UNIVERSITY OF NAIROBI**

November, 2011

DECLARATION

This Research Project is my original work and has not been presented for a degree award in this or any other University.

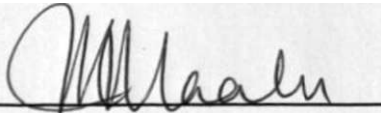
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This Research Project is submitted for the award of the Degree of Master of Business Administration in Strategic Management with my approval as University Supervisor.

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DEDICATION

To my beloved parents: Committed dad. Charles and loving mum, Ann; and my siblings, Beatrice, Simon, Grace for their wonderful support and love of studies. I do love you all.

ACKNOWLEDGEMENT

I am heartily thankful to my supervisor, Dr. Jackson Maalu, whose encouragement, guidance and support from the initial to the final level enabled me to develop an understanding of the subject.

Special thanks should be given to my parents Mr. & Mrs. Kamau who have always been very understanding and supportive and has helped me in many ways.

Lastly, I offer my regards and blessings to all of those who supported me in any respect during the completion of the project.

And above all, I give thanks to the Almighty God, who never ceases to love me and for his continued favors, guidance and protection on me.

ABSTRACT

The main purpose of this case study is to provide some vital specific plans and actions necessary to successfully manage change in an organization. Specifically, find out how these actions can be applied at Resolution Health East in a systematic approach to helping the individuals impacted by change to be successful by building support, addressing resistance and developing the required knowledge and ability to manage change successfully.

The objectives of this study are to establish change management practices and factors influencing change management at Resolution Health. In this context it is clear that Medical Insurance Providers today operate in an environment characterized by greater complexity than at any time in the past. Effective change management is thus crucial to any organizations in Medical Insurance Industry ability to adapt and react to highly competitive and continuously evolving business environment.

This study has employed case study research design. Using an open ended interview guide, primary data was collected where the researcher did pose the questions to the informed members of the focus group in the organization. The information contained in the interview guide included Demographic, Awareness, Culture, Change goals, Attitude and General Information Category. To help encapsulate the objectives of the study, content analysis was adopted to analysis the data.

From the findings of this study, for a successful change management to be achieved. Resolution Health requires to have an effective communication channel, full and active executive support, employee involvement and organizational planning and analysis and

a widespread perceived need for the change. Understanding and responding to the range of human emotions during times of intense change, is also very critical.

This research project has provided an insight into change management practices, influential factors in managing change and recommends that RHEAL should exceedingly investment in Research and Development, change monitoring and evaluation...Etc which will increases it's ability to successfully handle the complex process of change management.

LIST OF ACRONYMS

RHEAL	Resolution Health East Africa Ltd
GP	General Practitioner
MRI	Magnetic resonance imaging
CT	CAT scan

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CHAPTER ONE: INTRODUCTION

1.1 Background

In today's world, business environments are currently undergoing continuous change in the workplace more suddenly and frequently than before. According to (Friedman, 2005), organizations around the world are putting tremendous energy into the process of change so that they are in a better position to compete in a global economy. Many of these change programmes arise from management fads such as culture change, business process engineering, empowerment and total quality. Other change initiatives are driven by the need for organizations to reposition themselves in the face of changing highly competitive and continuously evolving business environment. Managing change aims at ensuring that the necessary conditions for the success are attained and maintained at all times.

The main purpose of this study is therefore to provide some vital specific plans and actions necessary to successfully manage change in an organization. Find out how these actions can be applied in a systematic approach to helping the individuals impacted by change to be successful by building support, addressing resistance and developing the required knowledge and ability to manage change successfully.

1.1.1 Management of Change

Change management has been defined as the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers (Moran & Brightman, 2001). According to Burnes (2004)

change is an ever-present feature of organizational life, both at an operational and strategic level. Therefore, there should be no doubt regarding the importance to any organization of its ability to identify where it needs to be in the future, and how to manage the changes required getting there. Consequently, organizational change cannot be separated from organizational strategy, or vice versa (Burnes, 2004). Due to the importance of organizational change, its management is becoming a highly required managerial skill (Senior, 2002). Graetz (2000) argues that against a backdrop of increasing globalization, deregulation, the rapid pace of technological innovation, a growing knowledge workforce, and shifting social and demographic trends, few would dispute that the primary task for management today is the leadership of organizational change. Since the need for change often is unpredictable, it tends to be reactive, discontinuous, ad-hoc and often triggered by a situation of organizational crisis (Burnes, 2004).

According to Hayes (2007) change management is about modifying or transforming organizations in order to maintain or improve their effectiveness. This deliberate, conscious use of strategies is a characteristic of change management. Whatever particular form change takes and whatever objectives it seeks to achieve, organizations cannot expect to achieve success unless those responsible for managing it understand the different approaches on offer and can match them to their circumstances and preferences (Burnes, 2000). Burnes (2000) also finds that organizations can and do experience severe problems in managing change effectively. He states that managing change successfully, even on a small scale, can be complex and difficult. In another place, Burnes, (2005)

adds that managing change is becoming harder and more important. Managing and changing organizations appears to be getting more rather than less difficult, and more rather than less important. Given the rapidly changing environment in which organizations operate, there is little doubt that the ability to manage change successfully needs to be a core competence for organizations.

According to Luecke (2003) successful management of change is accepted as a necessity in order to survive and succeed in today's highly competitive and continuously evolving environment. Okumus and Hemmington (1998) and Balogun and Hope Hailey (2004) report a failure rate of around 70 per cent of all change programmes initiated. It may be suggested that this poor success rate indicates a fundamental lack of a valid framework of how to implement and manage organizational change as what is currently available to academics and practitioners is a wide range of contradictory and confusing theories and approaches (Burnes, 2004). Guimaraes and Armstrong (1998) argue that mostly personal and superficial analyses have been published in the area of change management, and according to Doyle (2002) there is even evidence to suggest that with only a few exceptions existing practice and theory are mostly supported by unchallenged assumptions about the nature of contemporary organizational change management. Edmonstone (1995) supports this observation when stating that many of the change processes over the last 25 years have been subject to fundamental flaws, preventing the successful management of change. Even though it is difficult to identify any consensus regarding a framework for organizational change management, there seems to be an agreement on two important issues. Firstly, it is agreed that the pace of change has never

been greater than in the current business environment (Rotter, 1996). Secondly, there is a consensus that change, being triggered by internal or external factors, comes in all shapes, forms and sizes (Kotter, 1996) and, therefore, affects all organizations in all industries.

1.1.2 Resolution Health (E.A) Ltd

Resolution Health East Africa Ltd (RHEAL) is a Medical Insurance Provider registered under the Insurance Act (Insurance Act, 2002). Resolution Health utilizes managed care principles to provide access to comprehensive health care. By spreading the risk across a wide base, members get products with wide range of benefits at premiums they can afford. This is achieved by managing members' health care budget through structures that control delivery costs.

Resolution Health East Africa Limited was registered in Kenya in August 2002 and has complied with all the requirements that relate to Medical Insurance Providers (Insurance Act, 2002). By transferring risk to re-insurers, Resolution Health concentrates on actual health care management. In addition Resolution Health has professional indemnity insurance which ensures members are fully protected. RHEAL's main aim is to promote wellness of its clients, its partners and its business by focusing on those things that not only add value to the client's life but also improves their health (Mburu et al., 2002).

Resolution Health vision is to be a world class medical insurer and the market leader in medical insurance. Its mission is to provide security by way of comprehensive and affordable healthcare solutions to meet our members' needs in a personalized and

efficient manner whilst exceeding all stakeholders' expectations. Its corporate value is at all times to treat its customers, employees, shareholders, suppliers and the community with honesty, dignity, fairness and respect. With over 50,000 members in fold, RHEAL have learned to adapt in this constantly changing society, and develop products that are effective and relevant to our members. Resolution Health has over 250 medical service providers all over the country, a strong network of hospitals, clinics and doctors. On the business front the company has been growing at an average rate of 58% annually which whilst impressive brings along its own challenge (Nduati, 2009). This has led to the company switching its focus on improving its processes to ensure that its capacity to continue with the growth pattern previously established is maintained.

The organization is been managed at a highly diverse environment that requires greater flexibility in adopting and managing changing change (Nduati, 2009). RHEAL has continuously revamped its existing products targeting their corporate and individual members to provide Kenyans with better value for their investment. This has been brought about by the continuously increasing cost of medical care thus making it hard for most Kenyan to cater for their health. Resolution Health has a wide range of product with plans for in-patient and out-patient. The company has products that meet all members' requirements by providing unique cover options either for individual(s) or for organization(s). One of the organizations' key value is to keep their products relevant to their customers and this has been the major reason the company have been able to maintain growth in a difficult economy (Nduati, 2009).

Product offered at Resolution Health includes Premier Plus plan, premier pan, Executive Plan, Superior Plan, Advantage Plan, Harmony Plan and Corporate plan (Simiyu, 2009). According to Simiyu (2009), these products are broken down to individual outpatient services and corporate outpatient services. Each of the products has its own defined features and benefits. The most distinguishing aspect of the provided products is the benefits plus the charges attached to each plan. Some common benefits among all products include; Surgical operations and procedures, Professional fees, Theatre fees ,Anesthetics for surgery, Assistants at operations ,Ward accommodation , Intensive care and high care units , Visits and consultation by a GP and/or Specialist (while hospitalized), X-ray and pathology (while hospitalized) , Physiotherapy, Ultrasound scans (while hospitalized), MRI and CT scan (while hospitalized), Blood transfusion, Internal prostheses, Medicine dispensed and used in hospital, Medicine dispensed on discharge from hospital 100% of cost, (maximum of 14 days' supply), Emergency evacuation and rescue services. Other common features in all the plans are the last expense k.sh 100,000 and child guard covers 100,000. Daily cash per day applicable after 3 days of admission up to 180 days only the figures that slightly change to kshs 1250 for both the executive and advantage plan. The most distinguishing additional benefits for each of the defined product are the cover limits

1.2 Research Problem

The approaches taken to manage change are normally context dependent. There is no one right 'formula' for the management of change. The success of any attempt at managing change will be dependent on the wider context in which that change is taking place

(Gerry Johnson et al, 2005). The success of managing change will also be dependent on the wider context in which that change is taking place (Johnson & Johnson, 2002). The early approaches and theories to managing change in organizational suggested that organizations could not be effective or improve performance if they were constantly changing (Rieley and Clarkson, 2001). It was argued that people need routines to be effective and able to improve performance (Luecke, 2003). However, it is now argued that it is of vital importance to organizations that people are able to undergo continuous change (Burnes, 2004). While Luecke (2003) suggests that a state of continuous change can become a routine in its own right, Leifer (1989) perceives change as a normal and natural response to internal and environmental conditions. The present complex and dynamic environment requires faster thinking and more nimble organizations (Coville et al.,1993). According to Kotter (2004) the rate of environmental movement will increase and pressures on organizations to transform themselves will grow over the next few decades. He suggests that if this is the case, the only rational solution is to learn more about what creates successful change management. With the current global trends it's quite clear that the forces that operate to bring about change have greatly increased and also are varying. Some forces are gentle while others are strong and can cause devastation to structures and operations in an organization.

Resolution Health a Medical Insurance Provider operates in a highly dynamic environment which is coupled by high rate of intense technological advancement being brought about by globalization. Having been in the market since year 2002, the company rate of growth is quite high i.e. 58% annually, Nduati (2009) and more so, on the positive

end. RHEAL has embarked on a change process which involves change in the underlying technological infrastructure, organizational structure as well as the organizational culture.

Although the successful management of change is accepted as a necessity in order to survive and succeed in today's highly competitive and continuously evolving environment (Luecke, 2003). Balogun and Hope Hailey (2004) report a failure rate of around 70 per cent of all change programmes initiated. According to Burnes (2004) this poor success rate indicates a fundamental lack of a valid framework of how to implement and manage organizational change as what is currently available to academics and practitioners is a wide range of contradictory and confusing theories and approaches. Thus, this leads to a question of what and how can organization do to manage change effectively? But is change truly a process in itself, capable of being managed? Or does it simply amount to applied intuition and are there some conceptual structures, principles or paradigms that are generally useful? This study will offer some important insight into the management of change with a case study of RHEAL a Medical Insurance Provider.

1.3 Research Objectives

- i.) To establish change management practices at Resolution Health.
- ii.) To establish factors influencing change management.

1.4 Significance of the study

In this context it is clear that Medical Insurance Providers today operate in an environment characterized by greater complexity than at any time in the past. Planning,

implementing and managing change in such organizations with such exceedingly high growth rate and in this fast-changing environment is increasingly the situation in which most organizations now work. Dynamic environments such as these require dynamic processes, people, systems and culture, especially for managing change successfully, notably effectively optimizing organizational response to market opportunities and threats.

With the external events pressing in, communications speed up, processed information provides impetus for decisions, and constant pressure from competition forces the corporation to improve. The focus of this case study is on how RHEAL an organization in one of the most debated about industry in Kenya, Medical Insurance can manage change in the global market in a cost-conscious and quality driven evolving environment. To compete in a changing marketplace, medical insurance providers are transforming their methods of delivering health care (Porter-O'Grady, 1994). Hence the senior management will scan the relevant environment for opportunities and threats, formulate strategic responses, and adjust organizational structure, strategy and processes accordingly (Hannan and Freeman, 1977).

This case study will help establish the best practice for change management and how they can be facilitated by perceptive and insightful planning and analysis and well crafted, sensitive implementation phases, while acknowledging that it can never be fully isolated from the effects of serendipity, uncertainty and chance. Therefore, for successful management of change managers should understand and put into consideration the

critical success factors in managing change to be in a position to buffer their organizations from environmental disturbances or arrange smooth adjustments requiring minimal disruption.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This literature review identifies effective change management practice with a specific focus on the dimensions to develop a set of specific plans and actions to successfully manage change in a medical Insurance organization(s). This will be based on the effective change management strategies that are founded in a variety of best practices and approaches in managing change. Pace of change and key elements in managing change have been discussed in this literature review. Critical considerations in change management have also been put forward for smooth facilitation of change. Theories suggesting how best to manage change have also been considered and their main roles.

2.2 Approaches to Change Management

When characterized by how change comes about, there are several different approaches. They include planned change (Burnes, 1996), Emergent change (Burnes, 1996), contingency change (Dunphy and Stace, 1993), and choice change (Burnes, 1996). Conversely, the literature is dominated by planned and emergent change (Bamford and Forrester, 2003). According to Burnes (2004) there is not one widely accepted, clear and practical approach to organizational change management that explains what changes organizations need to make and how to implement them. The planned approach to organizational change attempts to explain the process that bring about change (Burnes, 1996).

I Planned Change

The Lewin approach emphasizes the importance of understanding the different states of organization that will have to go through in order to move from an unsatisfactory current state to an identified desired state (Eldredge and Tippet, 2002). Burnes (2004) proposed that for a change to be successful, the previous behavior must be unfrozen. According to Lewin (1952) and Tippet (2002) a successful change must, therefore, involve the three steps of unfreezing the present level, moving to a new level and refreezing this new level. This model of change recognizes the need to unfreeze old behaviour, structures, processes and culture before successfully adopting new approaches (Bamford and Forrester, 2003).

Although the planned approach to change is long established and held to be highly effective (Burnes (2004), it has come under increasing criticism since the early 1980s (Carter et al., (1992) and Burnes (1996). First, it is suggested that the approach is only applicable to small-scale and incremental change, and it is, therefore, not applicable to large-scale changes that require rapid and transformational change (Burnes, 1996, 2004). Secondly, the planned approach is based on the assumptions that organizations operate under stable and predictable conditions, and that they can move in a pre-planned manner from one stable state to another (Bamford and Forrester, 2003). Thirdly, the approach of planned change is not applicable in situations where more directive approaches are required. This can be a situation where change requires major and rapid change, and does not allow scope for consultation or involvement (Burnes (1996, 2004). Finally, the critics argue that the planned approach to change presumes that all stakeholders in a change project are

billing ami interested in implementing it. and that a common agreement can be reached (Uamford and **Forrester**, 2003). This presumption clearly ignores organizational politics and conflict, and assumes these can be easily identified and resolved (Burnes, 1996, 2004).

2.2.2 Emergent Change

In response to this criticism of the planned approach to organizational change, the emergent approach has gained ground. Rather than seeing change to be top-down driven, the emergent approach tends to see change driven from the bottom up (Burnes, 2004). The approach suggests change to be so rapid that it is impossible for senior managers effectively to identify, plan and implement the necessary organizational responses (Kantcret al., 1992). Therefore, the responsibility for organizational change has to become increasingly devolved (Wilson, 1992).

The emergent approach to change emphasizes that change should not be perceived as a series of linear events within a given period of time, but as a continuous, open-ended process of adaptation to changing circumstances and conditions Burnes (1996, 2004). The emergent approach stresses the unpredictable nature of change, and views it as a proccss that develops through the relationship of a multitude of variables within an organization Apart from only being a method of changing organizational practices and structures, change is also perceived as a process of learning (Davidson and De Marco, 1999).

according to Burnes (1996: 13), successful change is less dependent on detailed plans if J projections than on reaching an understanding of the complexity of the issues unced and identifying the range of available options. It can, therefore, be suggested that the emergent approach to change is more concerned with change readiness and facilitating for change than to provide specific pre-planned steps for each change project and initiative. As the emergent approach to change is relatively new compared to the planned approach, it is argued that it still lacks coherence and a diversity of techniques i Hamford and Forrester, 2003). Another criticism of the emergent approach is that it consists of a rather disparate group of models and approaches that tend to be more united in their skepticism to the planned approach to change than to an agreed alternative iHamford and Forrester, 2003). However, according Burnes (1996: 14) the emergent model is suitable for all organizations, all situations and at all times. Dunphy and Stace (1993) do not agree with this view and argue managers and consultants need a model of change that is essentially a situational or contingency model, one that indicates how to %ary change strategies to achieve optimum fit with the changing environment. Furthermore, it is argued that the planned and emergent approaches to change should not be seen as the entire spectrum of change events.

2.2.3 Contingency and Choice Change

An approach of contingency to change that supports a one best way for each organization approach rather than a one best way for all approach is therefore suggested. The contingency approach to change is founded on the theory that the structure and the performance of an organization are dependent on the situational variables that it faces

(Dunphy and Stace, 1993). No two organizations are alike, and will not necessarily face the same variables. Therefore, their operations and structures may be different (Dunphy and Stace, 1993). However, contingency theory in general has been criticized for the difficulty of relating structure to performance and that the theory assumes that organizations and managers do not have any significant influence and choice over situational variables and structure (Burnes, 1996). Burnes (1996: 16) suggests that an organization does not necessarily have to adapt to the external environment, and advocates an approach of choice by suggesting there is certainly evidence that organizations wishing to maintain or promote a particular managerial style can choose to influence situational variables to achieve this. The point is that rather than having little choice, rather than being forced to change their internal practices to fit in with external variables, organizations can exercise some choice over these issues.

2.3 Change Management Models

Change is the one constant of all living and non-living systems. Practical Change management models are useful frameworks for leaders of change.

As a result of this literature review, a number of conceptual models will be examined. Kotter (1996) sets out one of the clearest examples of many types of managerial models for managing major change. This is shown on Figure 1 below;

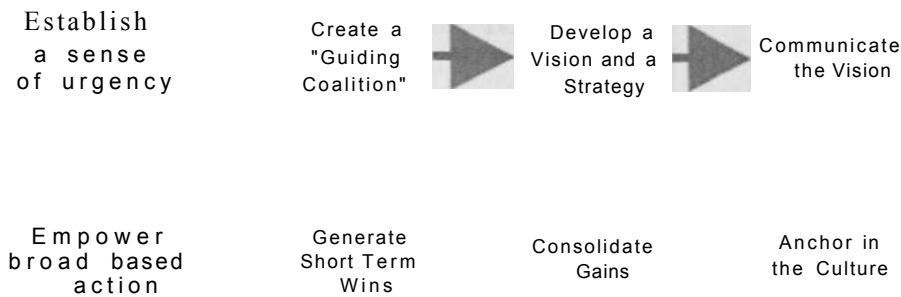


Figure 1: Kotter, 1996, p. 21

The process has eight stages, each associated with one of the eight fundamental errors which he believes undermine efforts at transforming organizations. This contains useful advice for managers on trying to overcome inwardly focused cultures and paralyzing bureaucracy. It contains many elements common to change management literature such as the need for a guiding coalition, communication of a powerful change vision, and consolidating gains. However, as Kotter himself says, such diagrams tend to oversimplify reality and he offers the model with some trepidation. Elements of it are useful, but the model will not work in all contexts and cannot simply be adopted by an organization without much adaptation. He also writes that there are still more mistakes that people make, but these eight are the big ones. In reality, even successful change efforts are messy and full of surprises. But just as a relatively simple vision is needed to guide people through a major change, so a vision of the change process can reduce the error rate. And fewer errors can spell the difference between success and failure.

The Change management Iceberg of Wilfred Kruger is a strong visualization of what is **arguably** the essence of change. Figure 2, explains change management Iceberg.

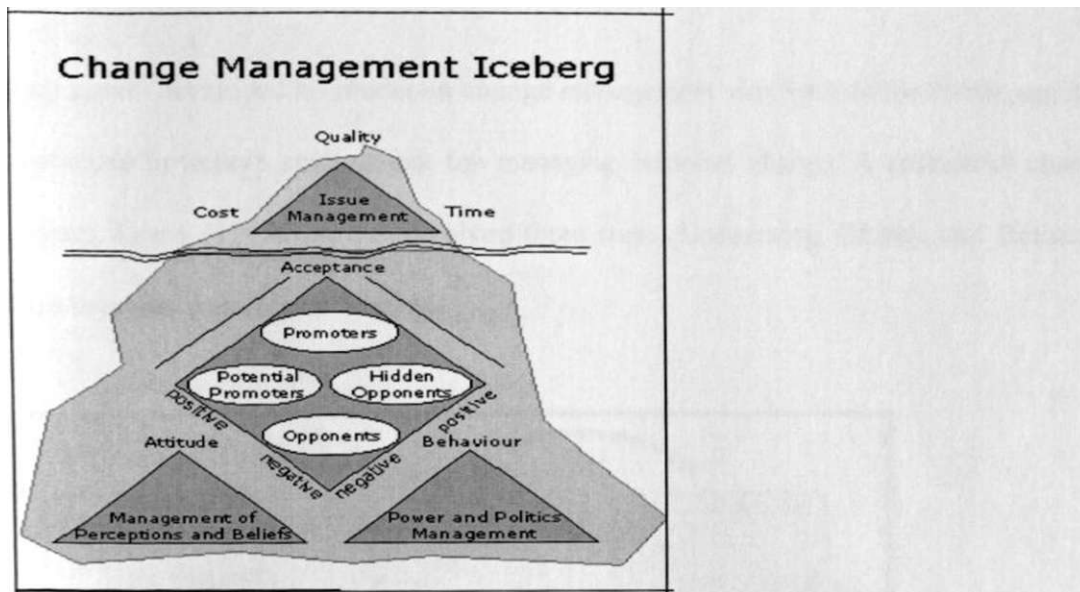


Figure 2: “Iceberg of change – levels of mobilization”. Bruch and Sattelberger, 2001, p.355

According to Kruger many change managers only consider the top of the iceberg; Cost, Quality and Time. However other primary considerations should be the management of perceptions and beliefs as well as the management of power and politics based on the kind of change being implemented. In this scheme, opponents have both a negative general attitude toward change and they display negative behavior. They need to be controlled by Management of Perceptions and Beliefs to effect change. Promoters have a generally positive attitude toward change. They are supporters. Hidden opponents have a generally negative attitude although they may appear to support the initiative. Management of Perceptions and Beliefs supported by information (issue management) is needed to change their attitude. Potential Promoters are generally positive, yet they have some hesitation. According to Kruger dealing with change management is a permanent task and challenge for general manager.

Kurt Lewin developed his model on change management way back in the 1950s and it is applicable in today's environment for managing business change. A successful change project, Lewin (1947a) argued involved three steps; Unfreezing, Change and Refreeze. This is as shown in Figure 3 below;

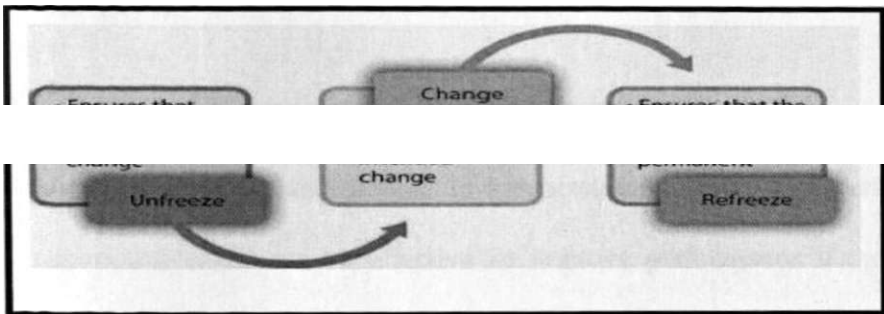


Figure 3: Kurt Lewin, 1951, p. 172

Unfreezing is the fundamental step during the change process. It is about helping employees understand that change is required. The effects of the driving and restraining forces come into play at this step. If the restraining force is greater than or equal to the driving force, there will be no change. As Schein (1996) notes, unfreezing is not an end in itself. It's aimed at creating motivation to learn but does not necessarily control or predict the direction. In order to accept the change and contribute to making the change successful, people need to understand how the changes will benefit them. The transition from unfreeze to change does not happen overnight: People take time to embrace the new direction and participate proactively in the change. Lewin (1947a) recognized that, without reinforcement, change could be short-lived. Once the change has been embraced and accepted by all, then the time has come to refreeze the change. Refreeze means the stability in the organization, working environment, employees being confident about the

change and comfortable in the new working environment. The main point about refreezing is that new behavior must be, to some degree, congruent with the rest of the behavior, personality and environment of the learner or it will simply lead to a new round of disconfirmation (Schein, 1996). This is why Lewin saw successful change as a group activity, because unless group norms and routines are also transformed, changes to individual behavior will not be sustained.

2.4 Change Characterized by its Occurrence

The early approaches and theories to organizational change management suggested that organizations could not be effective or improve performance if they were constantly changing (Rieley and Clarkson, 2001). According to Lucke (2003), people need routines to be effective and able to improve performance. However, it is now argued that it is of vital importance to organizations that people are able to undergo continuous change (Burnes, 2004). While Luecke (2003) suggests that a state of continuous change can become a routine in its own right, Leifer (1989) perceives change as a normal and natural response to internal and environmental conditions.

The pace of change is categorized by the rate of occurrence. This could be discontinuous Luecke (2003), Incremental Burnes (2004), Continuous Balogun and Hope Hailey (2004). Grundy (1993: 26) defines discontinuous change as change which is marked by rapid shifts in strategy, structure or culture, or in all three. This sort of rapid change can be triggered by major internal problems or by considerable external shock (Senior, 2002). According to Luecke (2003) discontinuous change is onetime events that take place through large, widely separated initiatives, which are followed up by long periods of

consolidation and stillness and describes it as single, abrupt shift from the past. Advocates of discontinuous change argue this approach to be cost-effective as it does not promote a never-ending process of costly change initiatives, and that it creates less turmoil caused by continuous change (Guimaraes and Armstrong, 1998). Nelson (2003: 18) states that change cannot be relied upon to occur at a steady state, rather there are periods of incremental change sandwiched between more violent periods of change which have contributed to the illusion of stability once assumed to be the case.

In sharp contrast to discontinuous change, Burnes (2004) identifies continuous change as the ability to change continuously in a fundamental manner to keep up with the fast-moving pace of change. Burnes (2004) refers to incremental change as when individual parts of an organization deal increasingly and separately with one problem and one objective at a time. Advocates of this view argue that change is best implemented through successive, limited, and negotiated shifts (Burnes, 2004). Grundy (1993) suggests dividing incremental change into smooth and bumpy incremental change. By smooth incremental change Grundy (1993) identifies change that evolves slowly in a systematic and predictable way at a constant rate. The difference between Burnes (2004) understanding of continuous and incremental change is that the former describes departmental, operational, ongoing changes, while the latter is concerned with organization-wide strategies and the ability to constantly adapt these to the demands of both the external and internal environment.

2.5 Factors Influencing Change Management

There may be no one best way to manage change which is effective in all situations, but there are certain important aspects of change to consider when attempting to plan or stimulate change. These will now be discussed because these factors to change are examined in this research.

Culture may be below the surface but it exerts tremendous power and must be understood. According to Schein (2004), culture is both a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behavior, and a set of structures, routines, rules, and norms that guide and constrain behavior. When managers try to change the behavior and attitudes of staff, they are likely to encounter inertia or outright resistance, which may seem unreasonable. Leaders must learn to be aware of and decipher the culture of the organization and groups at the various levels of artifacts, espoused beliefs and values, and basic underlying assumptions, Schein (2004).

Schein (2004) believes that culture change in itself is not usually a valid goal but that it will become involved in organizational changes. His key principles are that survival anxiety or guilt must be greater than learning anxiety. The latter should be reduced rather than the former increased by providing a positive, compelling vision, formal and informal training, feedback, positive role models, support groups, reward and discipline systems, and relevant structures; the change goal must be defined concretely in terms of the specific problem to be fixed and not just as culture change. Old cultural elements need to be destroyed but new ones will only be learned if new behavior leads to success and

satisfaction; a period of unlearning is always needed which will be psychologically painful.

The role and quality of leadership plays an important part in change. Leaders need to inspire, sell, mobilize, enable and navigate effectively to make change happen, but leadership has increasingly seen as a team as well as an individual (Audit Commission, 2001). Leaders need clarity of vision and values, the ability to communicate these by what they say and do, and emotional resilience. There are many competing definitions of leadership but the following is relevant in this study. Leadership is the creation of new realities (Dunphy et al, 2007). Leaders need to develop themselves and learn from and admit to mistakes. They need to be aware of and allow organizational members to make progress through the natural process of human adaptation using empathy, encouraging engagement, energizing staff, and reinforcing the changes Marks, (2007). Leaders are warned not to declare victory prematurely or lose focus, but instead to make change stick starting with themselves, reinforce appropriate behavior and performance, and provide training and support (Longenecker and Rieman, 2007).

It is generally regarded as impossible to impose or enforce change effectively. An entirely top-down approach may lead to unexpected results, inertia, or reluctant compliance at best. Research by Parish et al (2008) demonstrates that antecedents to change such as fit with vision, employee-manager relationship quality, job motivation, and role autonomy all influence commitment to change. Significant affective commitment had the greatest impact on implementation success and improved performance. They refer to other writers who claim that there is a scarcity of research on

employee reactions to change. When participation is effective it produces beneficial outcomes for individuals and organizations, but authentic participation is needed and individuals need to be prepared adequately to be competent to participate (Pasmore and Fagans, 1992). Some organizations have benefited from creating a critical mass of change actors through provision of space for reflection and dialogue and building networks of change-minded staff, (Bruch and Sattelberger, 2001).

Closely related to important aspects of change set out above is the key role of effective communication. According to Armenakis and Harris (2001), Persuasive communication of a consistent change message is required to help an organization create readiness for a major reorganization. Kotter (1996) describes one of eight common errors in organizational change efforts as under-communicating the vision by a factor often or one hundred or even one thousand. He urges that those leading change to use creatively every method and vehicle possible to communicate constantly the new vision and strategy, keep the message simple, use metaphor and analogy, and have the guiding coalition role model the behavior expected of employees. Managers need to align employees' expectations of the change communication with understanding of the change goal to create change receptivity (Frahm and Brown, 2007). Face-to-face communication is considered to be important to recipients of change and a discourse and dialogue-driven approach to change is often preferable (Frahm and Brown, 2007). Training and development are key parts of any change project. This may be in relation to new skills, attitudes and behaviors required, but it also may aim to give staff the understanding and confidence to empower them to pursue continuous improvement (Burnes, 2004) and (Kotter. 1996) a

comprehensive training program should be established with systems in place for evaluation and feedback.

The role and skills of the change agent are crucial in delivering or facilitating change effectively. According to Buchanan and Boddy (1992), the change agent has to support the performance of rationally considered and logically phased and visibly participative change with backstage activity in the recruitment and maintenance of support and in seeking and blocking resistance. The change agent must have a two dimensional expertise combining managerial judgment and a tool kit of core competences (Buchanan and Boddy, 1992). The former includes diagnostic skills, judgmental capability, and behavioral flexibility while the latter comprises a series of competences in five clusters concerned with goal setting, role specification, communication, negotiation, and managing upwards. Balogun et al (2008) stress that change directors need to understand the difficult but pivotal role of middle managers and provide them with the necessary skills and support, because they are the shock absorbers in change who have to look two ways at once and carry out unscripted, unacknowledged and often emotional work. This case study includes an examination of the role, skills and support given to the change agents.

Resisting change is a common reaction with the particular form depending on the individual's personality, competing commitments, the nature of the change, attitudes towards it and forces deriving from the group, the organization and its environmental context. The form of resistance may vary from passive resignation to indifference, passive resistance, and active resistance (Camevale, 2003). It is a common theme in the

literature of change, but it should not always be seen as completely negative and can help to modify and translate the change into something which becomes more effective and workable (Fronza and Moriceau, 2008). Much of what we refer to as resistance to change is really resistance to Uncertainty (Carnall, 2003). Resistance is often believed to be an inevitable human reaction to imposed change, but it may also result from the methods used to effect change and to what may be perceived as cynical use or misuse of grand ideas for personal or group interests (Diefenbach, 2007). It may arise from distorted perception, interpretation barriers, and vague strategic priorities, low motivation for change, and lack of a creative response in the formulation stage, political and cultural deadlocks, leadership inaction, embedded routines, lack of capabilities, and sheer cynicism in the implementation stage (Pardo del Val and Fuentes, 2003). Ford et al (2002) propose that much research ignores resistance as a socially constructed reality in which people are responding more to the background conversations in which change is being initiated than to the change itself. Change agents should understand that change creates uncertainty, stress, and anxiety, even for those managing change, and that there is a relationship between self-esteem, performance and stress. People will react and behave differently at different points in the cycle of accepting and adopting change (Carnall, 2003). Managers must combine a number of approaches based on a careful analysis of the situation and as part of a clearly considered strategy (Kotter and Schlesinger, 2008). These approaches include education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-optation, and explicit and implicit coercion. This case study looks at resistance to change and how it was handled.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The Chapter will discuss the research design used in the case study. The methodology applied in data collection and data analysis technique used during the research by the researcher.

3.2 Research Design

Kothari (2004: 31) define a research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design adopted in this case study research is aiming at bringing an insight in this complex issue of managing change in organization. This study has employed case study research, which is useful when, how or why question is being asked about a contemporary set of events over which the investigator has little or no control (Yin, 1994, p.9). This statement emphasizes that an important strength of case studies is the ability to undertake an investigation into a phenomenon in its context. According to Yin (1994) a case study is an empirical inquiry that Investigates a contemporary phenomena within its real life context, especially when the boundaries between phenomenon and context are not clearly evident.

3.3 Data Collection

This case study has been carried on using primary data collected using an open ended interview guide. Interviewing is a constructive method of qualitative research, and has the ability to generate honest opinions and genuine conversation between interviewer and

participant (Neuman, 2006). A set of standard interview questions was used during the interview as the research instrument. The researcher did pose these questions to the informed members of the focus group. This focus group included both senior and middle manager from various departments. The questions were asked precisely as they were worded, and in the same order they appeared on the schedule. The information contained in the interview guide included Demographic, Awareness, Culture, Change goals, Attitude and General information category. This information was intended to help in establishing the best practices and key success factors to consider for successfully change management in an organization. This also ensured that only relevant and pertinent data was sourced.

3.4 Data Analysis Technique

Content analysis is the preferred strategy for analysis to use in this case study. This has helped to encapsulate the objectives of the study, and which have shaped the data collection. Both objectives have been analyzed using content analysis. The researcher began by identifying research questions and choosing a sample or samples. Once identified, the text was coded into manageable content categories as on the interview guide. The process of coding used is of selective reduction. The aim of this process is to assemble or reconstruct the data in a meaningful or comprehensible fashion, Jorgensen (1989: 107). By breaking down the contents of materials into meaningful and pertinent units of information, certain characteristics of the message have been analyzed and interpreted. The researcher has examined both positive and negative words as used during the interview process to draw a recommendation and conclusion.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This is an analysis of an open ended interview that was carried out at Resolution Health E. A Ltd. Face to face interviews were carried out while taking down in writing all the responses as per the interview guide.

After data collection, the researcher went through the response to ascertain that all the questions were responded to prepare the data for analysis. The content of analysis was taken just like it was defined on the interview guide. This next step was to confirm on the developed categories and defining clear coding Scheme. Next, was to test the coding scheme on a sample of text and later coded all the text. The researcher had to assess the coding consistency for reliability. The second last step involved making sense of the categories identified and their properties and make conclusive conclusion according to the objectives. It's from this last step that the researcher has been able to report her findings as below and according to the set objectives of the study.

4.2 Change Management Practice at Resolution Health

Change can be a time of exciting opportunity for some and a time of loss, disruption or threat for others. How such responses to change are managed can be the difference between surviving and thriving in a work or business environment. RHEAL has developed some change management practices that it's using to remain relevant in the Medical Insurance Industry. While analyzing the case study, the researcher has picked some key context wordings from the interviews conducted in order to help in establishing change management practices at Resolution Health.

4.2.1 Planning for Change

Critical to successful change is good planning. The informant of this case study, quote that the company took more than 30 months planning for these change. The company has had a robust plan that has been supported by a formal procedure. According to the informers the company has had a clear vision about what the scope and impacts of the future changed state will be. Though this is the case the employees haven't been able to decipher their contribution to the desired improvement.

While planning for the change RHEAL doesn't have a full, realistic understanding of the upcoming change challenges and complexity. The company doesn't have a specific set action to address the challenges. In developing change plan and measures, RHEAL hasn't fully identified and agreed on the anticipated organizational support for change. In this case while planning, RHEAL hasn't looked at how the change will be communicated to the workforce and other stakeholder, the relevant human resources principles and policies to be applied, particularly in relation to staffing issues.

4.2.2 Roles and Responsibilities during Change

Strong control and associated reporting arrangements need to be established to drive and monitor change. According to the informant of the case study conducted at Resolution Health, separate roles and lines of responsibility for the change have been established. The informant also confirmed that a steering committee had been formed to oversee any business issue associated to change. This steering committee consisted of a representation from all units in the organization since the change was affecting everybody. The informant also noted that the Steering Committee has been meeting at

regular intervals to discuss critical issues and make decisions to ensure that the change continues to move forward.

According to the informant, the change sponsors have had the ultimate responsibility for the change and for building commitment for the change, particularly from leaders across the organization. At Resolution Health direct responsibility and accountability for the change has been clearly defined and accepted at an appropriately high-level within an organization. The change sponsors have also been ultimately accountable for the change and they have been responsible for exhibiting visible sponsorship and advocacy for the change effort, assessing and mitigating any resistance to the change, overseeing the business and project management issues that arise outside the formal business of the Steering Committee.

The Change Agent is responsible for managing the overall day to day change management process and implementation, including coordination of any different work streams that may be required. Resolution health has an intellectually dedicated change agent and a change team; this is according to the informant of the case study. The change team has been providing the day to day project management and support for the change. The informant noted that the change team has been equipped with high level project management skills though this has been done as the change implementation continues. The change team has been responsible for planning, organizing and coordinating the activities associated with the change including ensuring that the change management process addresses business process, workforce and infrastructure changes, and also monitoring implementation progress and risks though nothing much on the monitoring

part has been recorded. Both teams have been reporting to the Steering Committee to escalate issues for discussion and decision.

Resolution Health has also employed specific task forces referred to as work stream owners. According to the case study informants, the stream owners are specialized work groups responsible for implementing their work, delivering on the outputs assigned to them, delivering responsibilities within timelines and achieving the milestones. The task force reports to the Change Agent on the progress of work stream, against the Change Agent's plan.

4.2.3 Leadership of Change

Organizational change requires ongoing commitment at the top and across the organization to guide in organizational behavior, and lead by example. With the introduction of the General Manager at Resolution Health, the informant felt that there has been extensive committed leadership. The general Manager has been creating acceptance of the change to those who seems opposed to it and those being affected. The informant noted that the General Manager is a visionary, champion and role model for change.

According to the informants of this case study, there has been large commitment from the organizational leaders but not from all. The organization has managed to promote and sustain the impetus for the change. As of very importance was a note from the informant that communication pipe from the leaders has been poor although the information communicated though late has been greatly relevant. Resolution Health has managed to

capture the hearts and minds of key informal and formal leaders, having them commit to the change and empowering others to act is a critical success factor. The organization has also managed to "push" the change effort throughout the organization, with leaders delegating both the responsibility and authority to make decisions about the change, grounded on a clear change vision, to managers at all levels.

Resolution Health Change Sponsors have been ensuring that the organizational leader continues to be involved throughout the change. The leaders in the organization have been efficiently assessing readiness for change and making adjustment to achieve the desired outcome. By assessing change readiness across the organization, potential roadblocks, areas that require remedial actions and areas of best practice have been identified throughout the change and necessary action to resolve issues taken.

4.2.4 Stakeholder in the Change Management

This involves encouraging the stakeholder participation and commitment to the change, by employing open and consultative communication approaches to create awareness and understanding of the change throughout the organization. According to this case study, the informant declared that the communication pipe at Resolution Health is quite poor. The communication to the employees who forms part of the internal stakeholder was done very late. Lower level employees were not fully made aware and understand the fully meaning of the change that was taking place. Fundamentally it is people especially employees who make change happen - nothing moves forward without engaged, motivated stakeholders. According to the informant, they have been given a chance to express their views and contribute their own ideas about how change might be

implemented but most of their views were not put into consideration. This ended up discouraging those directly involved in change process. According to the informant, Resolution Health is aware that change is non-negotiable but the leaders involved have assumed the fact that cooperation and collaboration to achieve the change is more likely to die if stakeholders are not kept informed.

There has been a great communication challenge at Resolution Health, according to the informant. The organization overlooked its communication plan and channels thus have derailing change implementation. This has been the most challenging aspect of the change process. The organization communicated the purpose of change but did not clearly communicate the effect that change will have on the stakeholders. Even with the delayed communication, the organization hasn't been monitoring the effectiveness of its communication channel.

Resolution Health has tried to understand its audience both internal and external, those directly or indirectly involved. There has some mild resistance to change due to self-interest, denial, fear of the unknown or different perceptions. According to the leaders (informants) the organization has tried to understand the root of possible resistance to change and then planned for it before it became a significant obstacle. There has also been a stakeholder analysis to try and uncover potential resistance or other risks to the success of the change.

4.2.5 Alignment of Workforce to Change

This involves the identification of the human impacts of the change, and developing plans to align the workforce to support the changing organization. From the informant of this case study response the organization hasn't identified the human capital impacts of a change effort on the workforce. There is no well workforce plan specifically designed to steer the organization toward achieving its change vision. There is no enough human capacity as well as lack of adequate critical skills required during change. Also the organization lacks a plan to address issues of redirecting resources in situations where the change creates a gap in the skills and needs of the organization.

The informant of the case study also noted that the organizational need assessment was not exhaustively conducted. This assessment was meant to determine the desired workforce size, skills and competencies needed in the future to support the changed environment and to determine the staffing required. This hasn't been done yet and hence work overload as reported on this case study. The organization also hasn't also not clearly determined the competencies of the organization's current workforce to identify and address the gaps between future needs and current workforce competencies. The specialist in leading the project is inadequate. To cover up for this the organization has employed some general training for all.

In order to mitigate the gaps between organizational needs and current workforce competencies the organization has come up with a workforce development plan. This has been done through training and organization change workshop. The organization do not

have a performance management that can help to reinforce and sustain the change, as well as develop workers with skills that align with the organization's change goals and to determine employee skills deficits that require development and strengthening. The informant also noted that the organization has failed in creating individual development plan that can be used to identify a combination of developmental activities to assist affected employees in developing designated competencies and knowledge. Aligning individual and organizational performance management systems drives new behavior and gradually shifts the organizational culture in support of the change vision.

4.2.6 Institutionalization of Change

Institutionalization of organizational change should be considered as a critical part of the change process, in spite of the nature of the change. The purpose of institutionalization is to develop organizational capabilities so that the change becomes a robust feature of the organizational context.

To institutionalize the change at RHEAL according to the informant of this case study, first there has been great efforts of the CEO and senior staff to protect the initiative from competing priorities, so that even if financial pressures are intensified, resources allocated for implementation are not scaled back. Secondly, the organization has introduced structural changes that have reinforced the change. Thirdly, employees' roles have been redesigned to match the new organizational realities. Not only has the organization called for additional employee training, but also a redefinition of job roles at the point of responsibility. This is especially of significance important because continued

employee involvement depends critically on the extent to which staff view the change as helping them solve the problems they face in their daily work. Finally, the organizations has adapted to emerging and often unexpected demands, including new problems that may arise as the result of successful change implementation. For instance, there has been increasing in reporting which has called for a new organizational focus on how to solve the problems associated with the errors that are reported from the introduction of the new system as noted by the informant of this case study.

4.3 Factors influencing change management at Resolution Health

There may be no one best way to manage change which is effective in all situations, but there are certain important aspects of change to consider when attempting to plan or stimulate change. RHEAL is aware that you cannot manage what you cannot measure.

Like any other organization undergoing change, change efforts at Resolution Health have been influenced by content, contextual, and process issues as well as the individual differences that exist among the change targets. Identifying the nature in which these factors interact have added to the understanding of employee responses to change and ultimately, aid management in accomplishing one of the most important goals of any change effort, ensuring employee commitment to change. While analyzing the case study, the researcher has picked some key context wordings from the interviews conducted in order to help in establishing the actual factors influencing change management at Resolution Health.

4.3.1 Content Issues

Content issues refer to issues specific to the change itself. This also refers to the change being implemented and is specific to each organization. Resolution Health just like any other organization has had content related issues during the change period. Culture factors haven't been addressed at RHEAL. The informant of this study felt that the organization culture has been a disaster leading to staffs especially in the senior level blaming each other on the failures. The informant though noted that that the organization has tried to work on its value. It was also noted that during this major change process, the organization has incorporated those that matters most to them (the customers) on board during this change process. There has not been a clear role on Human resource regarding culture management in the organization. In order to outright the forces that come with the culture, the organization has embarked on some training and workshop covering the whole organization. This has been used to unveil the importance and benefits of change in the organization. The informant of this study felt that there is need to destroy old culture elements though the new ones can only be learned if the new behavior leads to success and satisfaction. In addition, they informant noted that the most powerful ways to create change is to confront, develop or remould core cultural values so that members experience a profound change in understanding and purpose and therefore act differently.

4.3.2 Process Issues

Process issues refer to the actions taken by change agents during the introduction and implementation of the proposed change. Change agents must prepare employees for change through open, honest communication. In creating the change readiness at

Resolution Health the change agents have proactively tried to influence beliefs, attitudes, intentions, and ultimately the behaviours of a change target though at a later date. The informant also felt that there is no effective and robust communication in the organization and this has led to miss-information and aggravation of fear. They also felt that communication has been channeled using the top down approach. The informants also noted that the communication to change was very relevant though it was dispensed very late and thus a need to urgently revise the organizational communication methods.

The informant of the study also noted during the interview a number of process issues. First, the discrepancy component involves an explanation of the gap between the current state of the organization and the desired state. The management pointed out to the organization will not survive long-term if the current state of operations continues. The change agents have focused on the factors guiding the change effort in comparison with other possible courses of action. According to the informants, the organization lacks the efficacy component and this has left many of the staff s not confidence in the organization's ability to successfully implement the change. It was noted that the change target have had confidence in their ability to successfully implement the change. Knowing that the leaders of the organization, both internal and external leaders, are behind the change has also been also important to ensuring readiness.

The change agents have been demonstrating the seriousness in management about the change and that this attempt is not just another "program of the month". According to the informant of the study, the management hasn't clearly addressed issues relating to

allowances, acknowledgement, personalized training which has turn out to be a key factor during the change process. The informant noted that the ability of the management team to address the pointed out factors would influence the change target ultimate commitment to change.

4.3.3 Contextual Issues

This refers to pre-existing forces in an organization's external and internal environment. External contextual factors which include globalization, government regulation, intense competition, technological changes has led resolution to redefine its business process and hence the change. This was noted by the informant who added that this has really pressured the organization to make change in its "usual" business operations in order to meet the demand. Internal contextual factors that the organization has experienced as communicated by the informant is the managerial tension as well as lack of the required professionalism skills to manage change by part of the management team. The technical knowledge resources from the change agent team have also been a challenge and this has greatly led to work over load to the skilled individual. In terms of attitude toward change there are still some employees not certain of the outcome and thus they tend to rag others behind. The informant also noted of silent resistance due to lack of enough and well disseminate information regarding change. It was noted that the communication hasn't been timely. The informant also felt that organization management hasn't been monitoring the change accordingly thus no evaluation on the progress has been made.

4.4 Discussion of Findings

Wisdom suggests that whatever cannot be avoided is better confronted with determination to turn it to advantage. Resolution health has managed to meet milestones which the organization shouldn't take as a primary determinant of the success of a change project management. In order to emerge successful Resolution Health should ensure that the employees' are in a capacity to adapt to and work effectively and efficiently in the new environment. The capacity to adapt to change can shrink if the employees misunderstand or resist the change, causing barriers and ongoing issues. By maintaining communication and listening to employees, managers can understand their unfulfilled needs and resistance to change. That is, in the unfreezing Lewin's stage (Levasseur, 2001) the communication should be improved between managers and employees. The rationale is that if people understand the benefits of change, they are more likely to participate in the change and see that it is successfully carried out, which in turn means minimal disruption to the organization.

RHEAL had planned for change for an average of two and a half years which shows that the organization was clear about how to change as well as what to change. This has helped the organization to gather all relevant data before they are presented with it in the context of the proposed change thus giving the change managers a strong advantage. With the introduction of General Manager, Resolution Health has shown ongoing commitment and participation at the top and across the organization that has been a guide to organizational behavior. (Pasmore and Fagans, 1992), study shows that when participation is effective it produces beneficial outcomes for individuals and

organizations, but authentic participation is needed and individual need to be prepared adequately to be competent to participate. The organization has been able to tap into stakeholder commitment by encouraging stakeholder participation and commitment to the change and also by employing open and consultative communication approaches to create awareness and understanding of the change throughout the organization. Findings of Peng & Litteljohn (2001) show that effective communication is a key requirement for effective change implementation. Communication at RHEAL has come quite late on this change management process. Kotter (1996) describes one of eight common errors in an organizational change effort as under-communication of change. The change leaders at RHEAL made the mistake of believing that others understood the issues, feel the need to change, and see the new direction as clearly as they do. The best change program reinforces core messages through regular, timely advice that is both inspirational and practicable. Study by (Armenakis and Harris, 2001), indicates that persuasive communication of a consistent change message is required to help an organization create readiness for a major.

In terms of organizational structures, Resolution Health has been successful in establishing appropriate organizational structures, roles, and responsibilities for the change that engage stakeholders and support the change effort. Studies by Heide & Gronhaug & Johannessen"s (2002) shows that factors relating to the organizational structure are the second most important implementation barrier. In addition, Drazin & Howard (1984) see a proper strategy-structure alignment as a necessary precursor to the successful implementation of change (Noble, 1999). They point out that changes in the

competitive environment require adjustments to the organizational structure. If a firm lags in making this realignment, it may exhibit poor performance and be at a serious competitive disadvantage. There is poor workforce alignment and thus Resolution Health should have identified the human impacts of the change, and hence developing a plan to align the workforce to support the changing organization. To institutionalize the change the organization has been successful although one of much importance aspect has been forgotten. The organization leaders haven't continuously monitored the ongoing change process. According to (Audit Commission, 2001), Leaders need to inspire, sell, mobilize, enable and navigate effectively to make change happen. The role and quality of leadership plays an important part in change.

Looking at culture an issue specific to the change itself at Resolution Health, there is a big gap. For any successful program it's critically important that leaders understand and account for culture and behaviors at each level of the organization. According to (Schein, 2004), Leaders must learn to be aware and decipher the culture of the organization and groups at the various levels of artefacts, espoused beliefs and values, and basic underlying assumptions. Once the culture is understood; it should be addressed as thoroughly as any other area in a change program. When managers try to change the behavior and attitude of staff, according to this case study, they are likely to encounter inertia or outright resistance, which may seem unreasonable. Leaders should be explicit about the culture and underlying behaviors that will best support the new way of doing business, and find opportunities to model and reward those behaviors (Schein, 2004). This requires developing a baseline, defining an explicit end-state or desired culture, and

devising detailed plans to make the transition. A study by Dunphy et al (2007) notes that one of the most powerful ways to create change is confront, develop or remould core cultural values so that members experience a profound change in understanding and purpose and therefore act differently.

Resolution Health has been pushed to change by some critical external changes which includes globalization, government regulation, intense competition, technological and thus a need to redefine its business process and hence the change. Internal factors include managerial tension as well as lack of the required professionalism skills to manage change. There are also inadequate technical knowledge resources and the human capacity. A study by (Burnes, 2004) indicates that training and development are key parts of any change project. This may be in relation to new skills, attitudes and behaviours required, but it also may aim to give staff the understanding and confidence to empower them to pursue continuous improvement.

This case study shows that the change agents have been successful in preparing the employees for change through open, honest communication. The change agent must have a two dimensional expertise combining managerial judgment and a tool kit of core competences (Buchanan and Boddy, 1992). The former includes diagnostic skills, judgmental capability, and behavioral flexibility while the latter comprises a series of competences in five clusters concerned with goal setting, role specification, communication, negotiation, and managing upwards. The change agents have proactively tried to influence beliefs, attitudes, intentions, and ultimately the behaviours of a change

target though at a later date. There has been a breakdown in communication channel and thus a need for the organization to redefine its human resources responsibility.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The aim of the research project was to establish change management practices at RHEAL as well as establish factors influencing change management in the same context. This chapter contains a summary of the results as presented in the previous chapter and gives conclusions and recommendations based on the findings of the study; finally the study has provided suggestions for further research.

The underlying basis of change management is that people's capacity to change can be influenced by how change is presented to them. Resolution Health has planned for the change for a long period. The organization also has developed and documented the objectives to be achieved by the change and the means to achieve it. This has been successful by the outside hired change agent. Having established a case for change, Resolution Health hasn't planned on how the change progress should be measured to prove that at the end of the change process that planned outcomes have been achieved and benefits realized.

The organization has established appropriate organizational structures, roles, and responsibilities for the change engaging the stakeholders and trying to tap their supports through the change effort. The organization has strong control and the associated reporting arrangement has been clearly established to drive change. Resolution has also had to delegate specific managers take on temporary role of providing the formal

authority by which changes are made. This is particular to the organization since the change stretches across many part of the organization.

The organization has also shown a committed leadership as an ongoing commitment at the top and across the organization to guide organizational behavior, and lead by example. The role of leadership in any change management effort cannot be underestimated, and is repeatedly cited as the number one contributor to change success; Resolution Health has been on the first lane on leadership run. Leaders in the organization have maintained their authority in deciding on issues that may impact not only their team/group but others within the organization, escalate issues, as appropriate, to more senior leadership and push for timely resolution, or delegate this decision-making authority to others and support the final decision. This has been a key factor in managing change at Resolution Health.

There has been great stakeholder participation and commitment to the change, by employing open and consultative communication approaches to create awareness and understanding of the change throughout the organization. While there is no one perfect way to communicate change, and Resolution Health should plan and determine the approach that best suits its culture and style. The organization has clearly communicated the Change vision and though this was done late. The organization should come up with multiple channels to communicate the change message. This is to allow the stakeholders to hear and question information. Resolution Health has provided opportunities for dialogue though this has come in the mid stages of the implementation. Repetition of clear and

compelling change messages via multiple channels greatly increases the probability that it will get through to those who need to hear it. The organization should come up should come up with a tool to monitor and measure the effectiveness of communication.

To align its Workforce the organization has not fully managed to identify the human impacts of the change, and thus not having developed a plan to align the workforce to support the changing organization. It is essential to identify the human capital impacts of a change effort on the workforce. Organizations that successfully manage change typically develop a workforce plan specifically designed to steer their organization toward achieving its change vision. The workforce planning will ensure that the organization has an adequately skilled workforce to support its post-change needs. The plan should also address the issue of redirecting resources in situations where the change creates a gap in the skills and needs of the organization. To successfully implement change, Resolution Health needs to align the performance of its workforce with the change. This will allow the stakeholder to understand what they need to do, be enabled to do it, and be supported in doing it by appropriate incentives and rewards. This will also help the organization to gradually shift the organizational culture in support of the change vision.

5.2 Conclusions

Change is an inherent characteristic of any organization and like it or not, all organizations whether in the public or private sector must change to remain relevant. In conclusion, change is inevitable and change is development. Resolution Health is at point

where it needs to exceedingly invest in a Research and Development as the business is getting to be more competitive and hence a need to be in the know at all time. From the studies conducted the most successful change efforts have focused very heavily on the basics. Resolution Health has realized and carefully institutionalized the change to develop organizational capabilities so that the change becomes a robust feature of the organizational context. Of much importance, organizational leaders must continuously monitor the ongoing change process. Frequent employee surveys and administrative walk-arounds are some means by which senior leaders may keep track of the sustainability of change.

Successful change management strategies require not only an awareness of human behavior, but also workplace evolutionary trends. As a final point, for a successful change process Resolution Health should commence a change monitoring and evaluation process immediately.

5.3 Recommendations

As the speed of change continues to increase, change management is a fundamental competency needed by managers, supervisors, Human Resources staff, and organization leaders. There has never been a poorly structured change that succeeds and well structured change that failed. Well structured changes but poorly communicated have been very painful on the way to change. Human behavior is very complex, but organization change is often overcomplicated by bad execution and lack of clarity and a plan. From the studies conducted the most successful change efforts have focused very heavily on the basics. Successful change management strategies require not only an awareness of human behavior, but also workplace evolutionary trends. The best change is

what employees think they did themselves, i.e., high involvement is better so long as it is not overlay cumbersome and doesn't interfere with people being successful in their regular roles.

Change is not going away and change is manageable. From the findings of this study, for a successful change management to be achieved, Resolution Health requires to have an effective communication channel, full and active executive support, employee involvement and organizational planning and analysis and a widespread perceived need for the change. Understanding and responding to the range of human emotions during times of intense change, is also very critical. With clearly defined objectives, fully trained employees plus timely and well communicated change at all levels expectations coupled with reward for success will amount to a successful change.

RHEAL should also listen to critics carefully. First there may be some important truth in their criticism that may have been overlooked in the initial enthusiasm for change. Knowing this up front can avoid unnecessary problems with the proposed change and the advice can be incorporated to improve the process. Alternatively if the criticism is not valid then in dealing with the critic one can rehearse the communication message that will need to be honed for successful agreement to the change.

More consulting is very fundamental during change. The underlying basis of change management is that people's capacity to change can be influenced by how change is presented to them. Their capacity to adapt to change can shrink if they misunderstand or

resist the change, causing barriers and ongoing issues. The rationale is that if people understand the benefits of change, they are more likely to participate in the change and see that it is successfully carried out, which in turn means minimal disruption to the organization.

5.5 Suggestions for Further Study

In addition to the conclusions that the scope of this study has allowed me to draw, my findings have also yielded several recommendations for further research on this topic. There being not much research conducted on the management of change in the medical Insurance Providers' context, it is hoped that this study will act as a catalyst for further research.

There is need to further research on other Medical Insurance Providers for comparison purposes. This study also presents a research opportunity which can include a similar study conducted in other Insurance company offering a wide range of insurance packages.

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APPENDIX A: **Introduction Letter to the Respondents**

October, 2010

Dear Sir/Madam,

RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT

I am a student at Nairobi University pursuing a Masters of Business Administration program.

Pursuant to the pre-requisite course work, am to carrying out a research project on managing change in an organization in this case Medical Insurance Provider a case study of Resolution Health E.A Ltd. This will involve use of questionnaires administered to members of your team.

I kindly seek your authority to conduct the research in your institution through interview. The results of this report will be used solely for academic purposes and a copy of the same will be availed to you on request.

Your assistance will be highly appreciated.

Thank you in advance.

Yours faithfully,

Elizabeth N. Kamau

REG: D61/71342/2008

APPENDIX B: Interview Questionnaire

This questionnaire is part of a dissertation research project. It's focused primarily on the way in which change can be managed at RHEAL during the implementation of the new system. Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential.

Demographic data

1. What's your job title?
2. How long have you been working at Resolution Health E.A Ltd?
3. What is your current job status? i.e. permanent, contractor

Awareness

4. Are you familiar with the term change and change management and how it relates to change affecting RHEAL? If yes give a brief explanation.
5. Which of these statement best applies to how change is managed at Resolution Health
 - i.) RHEAL exist in a state of rapid and continuous change
 - ii.) RHEAL evolves through a long period of stability with short burst of fundamental change
 - iii.) Departments within RHEAL deal with change incrementally and separately
 - iv.) RHEAL is constantly undergoing small changes
 - v.) If others please specify

6. Describe the drivers of change at RHEAL. This includes both internal and external environment.

7. Are there visible Logical reasons for change and are the goals transparent and in-line with the change?

8. How long was the planning period before implementing change ?

9. Who were involved in the project planning phase? Those concerned only or the whole organization? And how?

10. Tell me more about how the rationale for change has been communicated to employees, i.e. Timeliness, the techniques used...etc

11. During change process has there any resistance to change and how has it been broken?

12. How has been the timescale set during the change process? And has it been followed. If not give reasons for the delay.

13. How has the communication about change been administered? Has it done to all or only to those directly concerned with change? Has it been timely and relevant?

14. Describe the project team consistency and openness to ideas and opinion during this change process.

15. Describe the kind of training and techniques that has been used while planning for change. Its timeliness and relevance to project team and the individual employees.

Culture

16. How has been the level of cooperation and support between departments or work groups during the change process?

17. Describe employees' involvement and its effect during this change process? Have their opinion been put into considerations.

18. Are the employees able to voice their true opinions about change? If so how (Mechanism)

19. Has there been any silent resistance? If so from who?

Change goals

20. How successful has been the change at improving the organization performance.'

21. Do you think the change will be successful at equipping the organization for sustained, long term performance?
22. How successful is Resolution Health in sustaining organizational energy during the change process?
23. What mechanisms are being used to mobilize personal energy during the change process?
24. What mechanisms are being used to sustain organizational energy during the change process?
25. What characterizes the mood in your organization during this change process?

Attitudes

26. Explain how communication has been administered and encouraged during the change process?
27. Do you understand why change is happening and why it is necessary?
28. Are you Aware of who is ultimately responsible for the project?

29. How important is it for you in recognizing that the project is being implemented by people with the necessary core skills in clearly defined and tracked manner skills in a clearly defined and tracked manner.
30. How fundamental is it to take ownership and influence details of the change?
31. How important is having assistance from the project owners, project infrastructure, training specialist to create a supportive environment?
32. How is the RHEAL ability to build the support required from employees to complete change initiatives?
33. How has the organization rewarded innovation and creativity if any during the change process?

General—crucial

34. RHEALs' change is managed within a set timeframe with clear objectives and methods that were communicated in advance and managed in a controlled way or RHEAL change is dynamic which changes in timescales and deliverables. It has focus on contingency which appreciates the complexity of issues. What are you taking on these statements?
35. What has been the roles of the change agents (Internal/External), have they accorded/given enough support? How? Are they relevant during the change process?

36. Please describe if the Change Management techniques used at RHEAL for culture, organization structure and IT system during implementation has influenced your adoption of the system.
37. Please describe any difficulties excluding system performance or operation that is affecting your adoption of the new changes.
38. Have you participated in a change management process before prior to RHEAL?
If yes explain.
39. Please describe if any challenges concerning people change.
40. State any alterations that need to be made to improve on the change management at RHEAL?
41. Any further comments?
42. Has the survey captured all the relevant areas covering change at RHEAL?